

**SUMMARIZED MINUTES  
SCOTTSDALE CITY COUNCIL  
SPECIAL MEETING  
WEDNESDAY, APRIL 19, 2006**



**CITY HALL KIVA  
3939 N. DRINKWATER BOULEVARD  
SCOTTSDALE, AZ 85251**

**CALL TO ORDER**

Mayor Manross called to order a Special Meeting of the Scottsdale City Council on Wednesday, April 19, 2006 in the City Hall Kiva at 6:08 P.M.

**ROLL CALL**

Present: Mayor Mary Manross  
Vice Mayor Ron McCullagh  
Council Members Betty Drake, Wayne Ecton, W.J. "Jim" Lane,  
Robert Littlefield, and Kevin Osterman

Also Present: City Manager Jan Dolan  
City Attorney Deborah Robberson  
City Clerk Carolyn Jagger

**PUBLIC COMMENT (for non-agendized items)** - No comment cards were received.

**1. Program and Service Reduction Options**

**Request:** Discuss, consider, and possibly give direction or take action on options for possible program or service reductions if the Proposition 402 expenditure limit ballot measure does not pass on May 16, 2006.

The purpose of this meeting is to discuss and consider options or possible program or service reductions if the Proposition 402 expenditure limit ballot measure does not pass on May 16, 2006. During this meeting, the Scottsdale City Council may ask questions; discuss, debate, give direction or take action on recommendations for budget, program and service reductions, as well as other options; and provide direction to staff or take action on issues directly related to recommendations for funding or reducing the 2006/07 proposed budget.

**Staff Contact(s):** Craig Clifford, Financial Services General Manager, 480-312-2364, [ccliffort@scottsdaleaz.gov](mailto:ccliffort@scottsdaleaz.gov)

City Manager Jan Dolan summarized the request to adjust the expenditure limit, which will go before voters on May 16, 2006 as Proposition 402, and explained what types of budget items are subject to the limit. The City Manager referenced a memorandum to the Mayor and City Council, dated April 18, 2006, outlining programs and options to be considered if cuts are necessary.

**NOTE** IN ACCORDANCE WITH PROVISIONS OF THE ARIZONA REVISED STATUTES THE SUMMARIZED MINUTES OF CITY COUNCIL MEETINGS ARE NOT VERBATIM TRANSCRIPTS. ONLY THE ACTIONS TAKEN AND DISCUSSION APPEARING WITH QUOTATION MARKS ARE VERBATIM. DIGITAL RECORDINGS OF CITY COUNCIL MEETINGS ARE ON FILE IN THE CITY CLERK'S OFFICE.

Council/Staff discussion:

- Some Council members did not agree that decisions on budget cuts are a policy issue, but believe cuts should be decided administratively and based on staff's expertise.
- Councilman Lane expressed concern that the list of possible eliminations seems to have been intended to frighten the public. He does not believe drastic cuts will be necessary. He urged using a portion of the \$56M in carry-over credits, accrued since the legislation passed in 1979, to avoid budget cuts.
- Craig Clifford, Chief Financial Officer, explained that the carry-over credits are calculated by fund and can only be returned to the specific fund for which it has accrued. Mr. Clifford advised the Council that it is prudent to save these credits for emergencies, and using the credits now would only serve as a temporary solution to a long-term problem. He explained that using the credits will also affect the City's bond rating, and stressed that it is imperative to maintain the highest bond rating to save taxpayer dollars.

Mayor Manross opened public testimony.

**David Rajput**, 7637 E Edgemont Av, 85257, requested withdrawal of the petition he submitted on April 4, 2006. Mr. Rajput was concerned about any perception that the petition was intended as some kind of blackmail connected with Proposition 402. The City Attorney deemed the petition withdrawn as requested by the original petitioner.

**Dave Bachman**, 8614 E Columbus Av, 85251, Chairman of the Human Services Commission, spoke in favor of Proposition 402 because he believes it supports the high quality of life Scottsdale's citizens have come to expect.

**George Knowlton**, 8701 E Valley View Rd, 85250, spoke in opposition to Proposition 402. Mr. Knowlton said he did not like being threatened, which he feels was the intent of the possible budget cuts listing.

**Shelly Anderson**, 12890 E Gold Dust, 85259, member of the Parks and Recreation Commission, spoke in support of Proposition 402, expressing concern about the possibility of closing parks if the proposition failed. She believes people move to Scottsdale for the quality of life, and raising the expenditure cap will help to retain that quality.

**Tony Nelssen**, 7736 E Redbird, asked whether a quote attributed to the City Manager in a pamphlet distributed in opposition to Proposition 402 was factual. Mr. Nelssen is concerned about the proposition because he feels it has no checks and balances.

**Angela Jacobsen**, 7562 E Belleview St, 85257, expressed concern that Arts are usually the first budget cuts made. Ms. Jacobsen feels the proposed list of budget cuts is intended to scare citizens and offered other suggestions.

**Lyle Wurtz**, 6510 E Palm Ln, 85257, spoke in opposition to Proposition 402. Mr. Wurtz believes the list of possible budget cuts is misleading to the public.

**Rick Kidder**, 7343 Scottsdale Mall, 85251, CEO of the Scottsdale Chamber of Commerce, spoke in support of Proposition 402 because it is critical to continuing services that represent the quality of life Scottsdale's citizens have come to expect. He applauded the Council for addressing these hard budget questions.

Mayor Manross closed public testimony.

Council/Staff discussion:

- City Manager Jan Dolan clarified that a penalty from the State for exceeding the expenditure limit would be in the form of withheld shared State revenues in the amount of approximately \$20M. The City's budget would not need to be cut by more than the penalty.
- It was mentioned that other items could have been included on the list of possible budget cuts. City Manager Dolan said the list is not comprehensive, and can, of course, be amended by the City Council.
- Some Council members are not comfortable using the accrued credits because that course of action appears too risky and does not provide any security for future emergencies.
- Councilman Lane restated that the credits could be used to offset overruns. He does not believe that program eliminations or cuts would be necessary, even if Proposition 402 does not pass.
- Mayor Manross pointed out that increased land area; increased levels of police and fire services; new technology; additional code enforcement; the public service tax; the preserve tax; and an approved \$358M bond program for new parks, libraries, fire stations, a senior center, and an aquatic center; are all reasons why an expenditure limit cap increase is necessary.
- Several Council members believe that decisions regarding budget cuts are the responsibility of the City Council, while others questioned whether it should be done administratively.
- It was noted that Scottsdale has not needed to increase the cap as often as most other Valley cities because of Scottsdale's foresight in passing a capital exclusion many years ago.
- Some Council members believe raising the expenditure limit cap makes economic sense. It was pointed out that recent spending has been for voter-approved projects and that citizens attending recent budget hearings have requested more, not fewer, services.

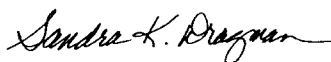
**CITY MANAGER'S REPORT** - None

**MAYOR AND COUNCIL ITEMS** - None

**ADJOURNMENT**

With no further business to discuss, the Special Meeting adjourned at 8:01 P.M.

**SUBMITTED BY:**



**Sandy Dragman**  
Recording Secretary

**REVIEWED BY:**



**Carolyn Jagger**  
City Clerk


Officially approved by the City Council on May 9, 2006

**C E R T I F I C A T E**

I hereby certify that the foregoing Minutes are a true and correct copy of the Minutes of the Special Meeting of the City Council of Scottsdale, Arizona held on the 19<sup>th</sup> day of April 2006.

I further certify that the meeting was duly called and held, and that a quorum was present.

**DATED** this 9<sup>th</sup> day of May 2006.

  
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**CAROLYN JAGGER**  
City Clerk